

PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA
CLERK'S OFFICE
NOTICE OF FILING AND HEARING AND PREFILE DEADLINES
DOCKET NO. 2018-318-E

**DUKE ENERGY PROGRESS, LLC –Application of Duke Energy Progress, LLC
for Adjustments in Electric Rate Schedules and Tariffs**

On November 8, 2018, Duke Energy Progress, LLC (“Duke Energy Progress” or the “Company”) filed an Application with the Public Service Commission of South Carolina (“Commission”) requesting authority to adjust and increase its retail electric rates, charges, and tariffs. The Application was filed pursuant to S.C. Code Ann. §§58-27-820 and 58-27-870 and S.C. Code Ann. Regs. 103-303 and 103-823.

In its Application, Duke Energy Progress seeks rate changes to increase annual revenues by 10.3% or \$59 million, to be updated to account for known and measurable expenses for grid investments of approximately \$5.1 million in 2020 and \$5.8 million in 2021. The Company states that recent work to modernize the electric system, generate cleaner power, responsibly manage and close coal ash basins, and continually improve service to customers have made it necessary to request a net increase in retail revenues. The Company’s request includes \$10 million in net tax benefits resulting from the Federal Tax Cuts and Jobs Act. The Company states in its Application that its request is driven by capital investments and environmental compliance progress made by the Company since its previous rate case, including the further implementation of the Company’s generation modernization program, which consists of retiring, replacing and upgrading generation plants; investments in customer service technologies; and the Company’s continued investments in base work to maintain its transmission and distribution systems. The Company states that its request includes an increase in revenues of approximately \$38 million for capital additions incurred since its last rate case through December 31, 2018.

The Company also requests approval of its proposed Grid Improvement Plan, approval of a Prepaid Advantage Program, and a variety of accounting orders related to ongoing costs for environmental compliance, advanced metering infrastructure deployment, grid investments between rate changes, and regulatory asset treatment related to the retirement of a generating plant located in Asheville, North Carolina. Finally, the Company seeks approval to establish a reserve and accrual for end of life nuclear costs for materials and supplies and nuclear fuel.

Duke Energy Progress requests that the proposed increases be effective on June 1, 2019. A typical residential customer using 1,000 kWh will see an increase of approximately \$17.91 per month beginning with the rate effective date in this case, requested to be June 1, 2019, and then an increase of \$1.60 per month beginning June 1, 2020 and an additional \$1.81 per month beginning June 1, 2021, to incorporate costs for grid investments per the Grid Improvement Plan described in the Application. Page 19 of the Application describes the Grid Improvement Plan, which can be described, in part, as a long-term initiative built upon strategic, data-driven investments to improve reliability to avoid outages and speed restoration; harden the grid to protect against cyber and physical threats; and to expand solar and other innovative technologies across a two-way, smart-thinking grid. Duke Energy Progress

proposes an increase in the Residential Basic Facilities Charge from \$9.06 to \$29.00 per month effective June 1, 2019.

A copy of the Company's Application, as well as the proposed rates, charges and tariffs may be obtained from the Commission at the following address: Public Service Commission of South Carolina, Clerk's Office, 101 Executive Center Drive, Suite 100, Columbia, South Carolina 29210. Additionally, the Application is available on the Commission's website at www.psc.sc.gov and is available from Heather Shirley Smith, Deputy General Counsel, Duke Energy Progress, LLC, 40 W. Broad Street, Suite 690, Greenville, South Carolina 29601; or Frank R. Ellerbe, III, Esquire, Robinson Gray Stepp & Laffitte, P.C., Post Office Box 11449, Columbia, South Carolina 29211.

Any person who wishes to participate in this matter as a party of record should file a Petition to Intervene in accordance with the Commission's Rules of Practice and Procedure on or before **December 27, 2018**, by filing the Petition to Intervene with the Commission, by providing a copy to the Office of Regulatory Staff and by providing a copy to all parties of record. For the receipt of future Commission correspondence, please include an email address in the Petition to Intervene. ***Please refer to Docket No. 2018-318-E and mail a copy to all other parties in this docket.*** Any person who seeks to intervene and who wishes to testify and present evidence at the hearing should notify, in writing, the Commission; the Office of Regulatory Staff at 1401 Main Street, Suite 900, Columbia, South Carolina 29201; and the company at the above address, on or before **December 27, 2018**. ***Please refer to Docket No. 2018-318-E.***

Any person who wishes to request that the Commission hold a public hearing in his or her county of residence in order to hear comments from the utility's customers should notify, in writing, the Commission at the address below; the Office of Regulatory Staff, at 1401 Main Street, Suite 900, Columbia, SC 29201; and the Company at the above address, on or before **Monday, December 31, 2018**.

PLEASE TAKE NOTICE that a hearing, pursuant to S.C. Code Ann. Regs. 103-817 and S.C. Code Ann. §58-27-870, on the above matter has been scheduled to begin on **Thursday, April 11, 2019, at 10:00 a.m.**, before the Commission in the Commission's Hearing Room at 101 Executive Center Drive, Suite 100, Saluda Building, Columbia, South Carolina 29210 for the purpose of receiving testimony and evidence from all interested parties. The hearing may continue through April 12, 2019, if necessary.

INSTRUCTIONS TO ALL PARTIES OF RECORD (Applicant, Petitioners, and Intervenors only): All Parties of Record must prefile testimony with the Commission and with all Parties of Record. Prefiled Testimony Deadlines: Other Parties of Record **Direct Testimony** Due: **3/4/2019**; Applicant's **Rebuttal Testimony** Due: **3/18/2019**; and Other Parties of Record **Surrebuttal Testimony** Due: **3/25/2019**. All prefiled testimony deadlines are subject to the information as posted on www.psc.sc.gov under ***Docket No. 2018-318-E***.

For the most recent information regarding this docket, including changes in scheduled dates included in this Notice, please refer to www.psc.sc.gov and ***Docket No. 2018-318-E***.

PLEASE TAKE NOTICE that any person who wishes to have his or her comments considered as part of the official record of this proceeding **MUST** present such comments in person to the Commission during the hearing.

Persons seeking information about the Commission's procedures should contact the Commission at (803) 896-5100 or visit its website at www.psc.sc.gov.

11/26/18